ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED
AUG 31 2005
CLERK, U.S. DISTRICT COURT
By ______
Deputy

VIEWPOINTE ARCHIVE SERVICES, L.L.C., §
§
Plaintiff, §
§
v. § Civil Action No. ~~3:05-CV-1355-K~~
§ 2-05CV-459 TJW
DATATREASURY CORPORATION, §
§
Defendant. §

FILED-CLERK
U.S. DISTRICT COURT
05 SEP 29 PM 2:10
TX EASTERN-MARSHALL
BY ______

ORDER

Before the court is Viewpointe's Emergency Motion to Enjoin DataTreasury from Prosecuting its Eastern District Action Against Viewpointe, filed July 11, 2005. After careful consideration of the motion, response, reply, evidence submitted by the parties, the record in this case and in Civil Action No. 3:02-CV-2642-K, and the applicable law, the court has determined that the first-to-file rule applies to this case. Therefore, the motion is **denied**, and this case is **transferred** to the United States District Court for the Eastern District of Texas, Marshall Division.

I. Factual and Procedural Background

On December 11, 2002, DataTreasury Corporation ("DataTreasury") filed in this court a patent infringement suit against Viewpointe Archive Services L.L.C. ("Viewpointe") (Civil Action No. 3:02-CV-2642-K) ("Viewpointe I"). That case proceeded before this court, with trial set for September 2005. On March 9, 2004,

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on file in my office on 1/26/06
Clerk, U.S. District Court,
Northern District of Texas
By ______ Deputy

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DataTreasury filed a motion to transfer venue of this action and its lawsuits against various other defendants to the United States District Court for the Eastern District of Texas based upon factors relating to convenience under 28 U.S.C. § 1404(a). In its response to DataTreasury's motion to transfer venue, Viewpointe argued that venue should not be transferred to the Eastern District of Texas because it is not subject to personal jurisdiction in that district. This court denied DataTreasury's motion to transfer venue on June 16, 2004, without making any finding whatsoever as to whether Viewpointe would or would not be subject to personal jurisdiction in the Eastern District of Texas. (Civil Action No 3:02-2642-K, Docket No. 73).

The parties to Viewpointe I (including other consolidated defendants) continued to litigate that patent infringement action before this court. In June 2005, various defendants in that case settled their disputes with DataTreasury and were dismissed from the Viewpointe I litigation with prejudice (*Id* at Docket Nos 208, 210, 211).

Around that same time, the court also entered an Agreed Order of Dismissal with respect to the claims of DataTreasury against Viewpointe. (*Id.* at Docket No. 209). This order was agreed to and submitted jointly by DataTreasury and Viewpointe. (*Id.*). The Agreed Order of Dismissal dismissed DataTreasury's claims against Viewpointe with prejudice to the extent that those claims arose out of Viewpointe's provision of products and services to J.P. Morgan Chase & Co., Bank One Corporation, and JPMorgan Chase Bank (collectively referred to as "JPMC"). (*Id.* at ¶ 2). All claims brought by

DataTreasury against Viewpointe not related to JPMC were "dismissed **without prejudice** with respect to all other Viewpointe products, services or instrumentalities provided to others not identified in Paragraph 2 above that are alleged to infringe either U.S. Patent No. 5,910,988 or U.S. Patent No. 6,032,137." (*Id.* at ¶ 3, emphasis added). Similarly, the parties agreed to dismiss Viewpointe's counterclaims against DataTreasury related to JPMC with prejudice and dismiss its non-JPMC related counterclaims **without prejudice**. (*Id.* at ¶ 4, emphasis added).

The court signed the Agreed Order of Dismissal on June 28, 2005. That same day, DataTreasury filed a new patent infringement action against Viewpointe in the United States District Court for the Eastern District of Texas, Marshall Division ("Viewpointe II"). Viewpointe responded by filing the instant action with this court on July 7, 2005 ("Viewpointe III"). In this case, Viewpointe seeks a declaratory judgment that it does not infringe the patents-in-suit and that the patents-in-suit are invalid and/or unenforceable. On July 11, 2005, shortly after the filing of its Complaint in Viewpointe III, Viewpointe filed its Emergency Motion to Enjoin DataTreasury from Prosecuting its Eastern District Action Against Viewpointe, which is now fully briefed and before the court.

II. Viewpointe's Emergency Motion to Enjoin DataTreasury From Prosecuting its Eastern District Action Against Viewpointe

In its motion, Viewpointe asks the court to enjoin DataTreasury from prosecuting the earlier-filed Viewpointe II case against it. In support of its position, Viewpointe argues that the court should issue the requested injunction under the All Writs Act, 28 U.S.C. § 1651(a). Viewpointe further argues that the "first-to-file" rule does not apply and should not govern the outcome of this battle between forums.

A. The All Writs Act

Under the All Writs Act, 28 U.S.C § 1651(a), this court "may issue all writs necessary or appropriate in aid of [its jurisdiction] and agreeable to the usages and principles of law." The authority granted under the All Writs Act is to be used "'sparingly and only in the most critical and exigent circumstances.'" *Wisconsin Right to Life, Inc. v. Federal Election Commission,* 125 S. Ct. 2 (2004), *quoting Ohio Citizens for Responsible Energy, Inc. v. NRC,* 479 U.S. 1312, 1313 (1986). It is only appropriately exercised where 1) necessary or appropriate in aid of the court's jurisdiction, and 2) the legal rights at issue are "indisputably clear." *Id., citing Brown v. Gilmore,* 533 U.S 1301 (2001).

1. Collateral Estoppel

Viewpointe first asserts that an injunction should issue pursuant to the All Writs Act because collateral estoppel precludes DataTreasury from suing Viewpointe in the Eastern District. Collateral estoppel "'is limited to matters distinctly put in issue, litigated, and determined in the former action.'" *Next Level Communications LP v. DSC Communications Corp.,* 179 F.3d 244, 250 (5th Cir. 1999), *quoting Brister v. A.W.I., Inc.,* 946 F.2d 350, 354 (5th Cir. 1991). Under federal law, collateral estoppel bars litigation of an issue where 1) the prior federal decision resulted in a judgment on the merits; 2) the same fact issue must have been actually litigated in the federal court; and 3) the disposition of that issue must have been necessary to the outcome of the prior federal litigation. *American Home Assurance Co. v. Chevron, USA, Inc.*, 400 F.3d 265, 272 (5th Cir. 2005); *Next Level*, 179 F.3d at 250.

In some of its opinions, the Fifth Circuit has framed the elements of collateral estoppel slightly differently, stating that for collateral estoppel to apply a court must consider whether 1) the issue under consideration is identical to that litigated in the prior action; 2) the issue was fully and vigorously litigated in the prior action; 3) the issue was necessary to support the judgment in the prior case; and 4) there is any special circumstance that would make it unfair to apply the doctrine. *Baros v. Texas Mexican Railway Co.*, 400 F.3d 228, 232-33 (5th Cir. 2005); *Baby Dolls Topless Saloons, Inc. v. City of Dallas*, 295 F.3d 471, 478 (5th Cir.), *cert. denied*, 537 U.S. 1088 (2002).

Viewpointe argues that by denying DataTreasury's motion to transfer venue on June 16, 2004, the court has already ruled that it has personal jurisdiction over Viewpointe, and that there is no personal jurisdiction over Viewpointe in the Eastern District. The court disagrees with Viewpointe's interpretation of its June 16, 2004 ruling, and does not find that the ruling has a collateral estoppel effect on the question of personal jurisdiction over Viewpointe. DataTreasury filed a motion to transfer venue under 28 U.S.C. § 1404(a), for the convenience of the parties and witnesses. The court denied such relief to DataTreasury, but made no finding as to the propriety of another court's jurisdiction over Viewpointe. (*See* Civil Action No. 3:02-2642-K, Docket No. 73).

Because there was no such ruling made by this court, the doctrine of collateral estoppel cannot be applied here. Even if the court did attempt to apply the doctrine of collateral estoppel, it would necessarily find that under either formulation of the collateral estoppel test espoused by the Fifth Circuit, several elements of that test are not met here. Specifically, the issue of whether personal jurisdiction over Viewpointe is appropriately maintained in the Eastern District was not fully litigated in the Viewpointe I case, and this court did not rule on that issue. Additionally, no final judgment was entered as to DataTreasury and Viewpointe in Viewpointe I. Rather, the parties agreed to dismiss the claims now at issue without prejudice. A voluntary dismissal without prejudice has no collateral estoppel effect, since it does not constitute an adjudication on the merits. *American Heritage Life Ins. Co. v. Heritage Life Ins. Co.*, 494 F.2d 3, 9 (5th Cir. 1974); *see also Dillard v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 961 F.2d 1148, 1161 (5th Cir. 1992), *cert. denied,* 506 U.S. 1079 (1993) (earlier case has no collateral estoppel effect until it comes to final judgment). Accordingly, collateral estoppel does not apply here, and does not bar DataTreasury's prosecution of its claims against Viewpointe in the Eastern District.

2. Bad Faith and Equitable Considerations

Viewpointe also argues that an injunction under the All Writs Act is warranted because it says that DataTreasury has acted in bad faith. Specifically, Viewpointe complains that DataTreasury acted in bad faith by dismissing its well-developed Viewpointe I lawsuit and refiling similar claims in the Eastern District. However, Viewpointe acknowledges that it agreed to the dismissal without prejudice in Viewpointe I, and that it understood that a dismissal without prejudice would not preclude future actions against it by DataTreasury. The court agrees with Viewpointe that the order dismissing the claims at issue without prejudice had no preclusive effect. Furthermore, the court notes that the agreed order entered by the court in Viewpointe I imposed no restrictions upon where any such future suits could be brought.

Finally, the court finds that Viewpointe's arguments that it should enjoin the Viewpointe II litigation for equitable reasons and to prevent judicial waste are unavailing. In support of its argument that this court should enjoin the prosecution of the Viewpointe II case, Viewpointe cites *Kentucky Fried Chicken Corp. v. Diversified Packing Corp.*, 552 F.2d 601 (5th Cir. 1977), which the court finds to be distinguishable. In that case, the parties initially litigated their dispute in a Florida federal district court. *Id.* at 601-02. That litigation proceeded to judgment and was also appealed. *Id.* at 602. Subsequently, a suit involving the same issues was filed against Kentucky Fried Chicken ("KFC"), the prevailing party in the Florida suit, in a Kentucky federal district court.

Id. The Florida court that had entered the prior judgment for KFC refused to enjoin the Kentucky litigation, and the Fifth Circuit reversed that order, holding that the trial court should not have required KFC to prove its claims of res judicata or collateral estoppel in another court. *Id.* at 603.

Significantly, the *Kentucky Fried Chicken* case did not involve a situation apposite to this one – where a party has agreed to a dismissal without prejudice and then is sued anew in a different forum. The procedural history of the instant case is quite different. Here, the Viewpointe I litigation never resulted in the entry of judgment for either party. Most significantly, the parties agreed to dismiss the relevant claims without prejudice. After the agreed dismissal of the pertinent claims in Viewpointe I without prejudice, DataTreasury was free to refile its case anywhere it wished. Even though the issues in Viewpointe II are the same as in Viewpointe I, Viewpointe's filing of the instant case does not require this court to decide the merits of the dispute, especially in light of the first-to-file rule, which is discussed in greater detail below. To do so would read more into the parties' agreed order of dismissal than the broad language of that order permits. (*See* Civil Action No. 3:02-2642-K, Docket No. 209).

The court further notes that although the nearly immediate filing of Viewpointe II after the Viewpointe I litigation was dismissed does appear to be the product of strategy, it cannot find that Viewpointe was unfairly treated or taken advantage of in any way that would justify a decision by this court to enjoin the Viewpointe II litigation.

Both parties to this dispute are complex business entities who have employed sophisticated and capable counsel to represent them. As Viewpointe acknowledges, it willingly dismissed the claims in dispute without prejudice, and with the knowledge that they could be refiled. Moreover, as Viewpointe states in its motion and brief, it has been clear to the parties for some time (at least since March 2004, when DataTreasury filed its motion to transfer venue) that the Eastern District is now DataTreasury's preferred forum. Therefore, Viewpointe cannot claim to be surprised by DataTreasury's decision to refile the case there. Nothing in the order dismissing the relevant claims without prejudice required the refiling of any subsequent suits regarding those claims in the Northern District of Texas. By agreeing to a dismissal without prejudice, Viewpointe either knew or should have known that if the claims at issue were refiled, there was a strong possibility they would be refiled in the Eastern District.

Although Viewpointe maintains that it is not properly subject to personal jurisdiction in the Eastern District, that issue is not for this court to decide. Rather, Viewpointe's most immediate recourse is to contest jurisdiction in that forum if it chooses to do so. For all of the above reasons, the court will not enjoin the prosecution of the Viewpointe II case under the All Writs Act, 28 U.S.C. § 1651(a).

B. First-to-File Analysis

In its response to Viewpointe's motion, DataTreasury argues that under the first-filed rule this case should be dismissed or transferred, as it is undisputed that

Viewpointe II was filed before the instant case, Viewpointe III. Viewpointe argues that the first-to-file rule is inapplicable due to collateral estoppel. However, the court has already determined that it did not make a finding regarding personal jurisdiction over Viewpointe in the Eastern District and that collateral estoppel does not apply. Because this court has ruled that collateral estoppel does not apply, Viewpointe must rely on its alternative argument – that even if the first-to-file rule is applied, the Viewpointe I litigation should be considered the first-filed case.

Under the first-to-file rule, when related cases are pending before two federal courts, the court in which the case was last filed may refuse to hear it if the issues raised by the cases substantially overlap. *Cadle Co. v. Whataburger of Alice, Inc.*, 174 F.3d 599, 603 (5th Cir. 1999); *Save Power Ltd. v. Syntek Fin. Corp.*, 121 F.3d 947, 950 (5th Cir. 1997). The rule rests on principles of comity and sound judicial administration, recognizing that courts of equal rank must take care to avoid interference with each other's affairs. *Save Power*, 121 F.3d at 950; *West Gulf Maritime Ass'n v. ILA Deep Sea Local 24*, 751 F.2d 721, 728 (5th Cir. 1985). The "crucial inquiry" under the first-to-file rule is "substantial overlap" – whether the two suits involve a common subject matter, even if they are not identical. *Save Power*, 121 F.3d at 950; *Mann Mfg., Inc. v. Hortex, Inc.*, 439 F.2d 403, 408 (5th Cir. 1971).

In the Fifth Circuit, the general rule is that the court in which an action is first-filed is the appropriate court to determine whether subsequently filed cases involving substantially similar issues should proceed. *Save Power*, 121 F.3d at 950; *West Gulf*, 751 F.2d at 728. Moreover, the second-filed court has no reason to examine the jurisdiction of the first-filed court, as such a ruling would either conflict with a ruling of the first-filed court or "trench on a sister court's treatment of the issue before it has been reached there." *Cadle*, 174 F.3d at 604. Even where, as here, jurisdictional uncertainties may arise, a determination of the first-filed court's jurisdiction over a party by the second-filed court "is never a condition precedent" to applying the first-to-file rule. *Id.* at 605.

Viewpointe argues that if the first-to-file rule is to be applied, the first-filed case is Viewpointe I, which was dismissed without prejudice on June 28, 2005 The first-to-file rule is a "forward-looking doctrine." *Id* at 604. Courts use the rule to minimize inconsistencies and maximize judicial economy by refusing to hear a case "raising issues that might substantially duplicate those raised by a case *pending* in another court." *Id.* (Emphasis in original). Therefore, the court disagrees that consideration of Viewpointe I's earlier filing date is appropriate, since the parties dismissed that case by agreement and it is no longer pending.

The two currently *pending* cases are Viewpointe II and III. The Viewpointe II Complaint alleges that Viewpointe has infringed the '988 and '137 patents. The Viewpointe III Complaint seeks a declaratory judgment that Viewpointe does not infringe those same patents, that the patents are invalid, and that the patents are unenforceable. Accordingly, the court finds that there is a substantial overlap in the issues between the Viewpointe II and Viewpointe III cases, and that under the first-to-file rule the court in Viewpointe II is the appropriate court to determine how these cases should proceed. Therefore, the court will transfer this case to the Eastern District for any further proceedings. *See Cadle,* 174 F.3d at 606 (under first-to-file rule, second-filed case should be transferred to the first-filed court rather than dismissed).

III. Conclusion

For the foregoing reasons, Viewpointe's Emergency Motion to Enjoin DataTreasury from Prosecuting its Eastern District Action Against Viewpointe is **denied**. This case is hereby **transferred** to the United States District Court for the Eastern District of Texas, Marshall Division.

SO ORDERED.

Signed August 31st, 2005.

ED KINKEADE
UNITED STATES DISTRICT JUDGE

CLOSED

CASE # 3:05cv1355-K

DATE 8 / 31 / 05

TRIAL **YES**____ **NO** ✓

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U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SEP 29 2005

CLOSED, STICKNEY, TDIS

U.S. District Court
Northern District of Texas (Dallas)
CIVIL DOCKET FOR CASE #: 3:05-cv-01355
Internal Use Only 2-05CV-459

Viewpointe Archive Services, L.L.C. v. DataTreasury Corporation
Assigned to: Judge Ed Kinkeade
Cause: 35:145 Patent Infringement

Date Filed: 07/07/2005
Jury Demand: None
Nature of Suit: 830 Patent
Jurisdiction: Federal Question

Plaintiff

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ATTORNEY TO BE NOTICED

Certified a true copy of an instrument
on file in my office on 9/26/05
Clerk, U.S. District Court,
Northern District of Texas
By ________ Deputy

Defendant

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ATTORNEY TO BE NOTICED

Date Filed	#	Docket Text
07/07/2005	1	COMPLAINT for Declaratory Judgment against DataTreasury Corporation (Filing fee $250; Receipt number 220787), filed by Viewpointe Archive Services, L.L.C.(kdc,) (Entered: 07/08/2005)
07/07/2005		***Magistrate Judge Paul Stickney chosen by random selection to handle matters that may be referred in this case. (kdc,) (Entered: 07/08/2005)
07/07/2005	2	CERTIFICATE OF INTERESTED PERSONS by Viewpointe Archive Services, L.L.C. (kdc,) (Entered: 07/08/2005)
07/07/2005	3	Summons Issued as to DataTreasury Corporation. (kdc,) (Entered: 07/08/2005)
07/11/2005	4	EMERGENCY MOTION to Enjoin DataTreasury Corporation from Prosecuting its Eastern District Action against ViewPointe by Viewpointe Archive Services, L.L.C. (nap,) Modified on 7/13/2005 (nap,). (Entered: 07/13/2005)
07/11/2005	5	Memorandum in Support re 4 EMERGENCY MOTION to Enjoin DataTreasury Corporation from Prosecuting its Eastern District Action against ViewPointe filed by Viewpointe Archive Services, L.L.C. (nap,) (Entered: 07/13/2005)
07/11/2005	6	Appendix in Support re 4 EMERGENCY MOTION to Enjoin DataTreasury Corporation from Prosecuting its Eastern District Action

		against ViewPointe filed by Viewpointe Archive Services, L.L.C.. (nap,) (Entered: 07/13/2005)
07/12/2005	7	Summons Issued as to DataTreasury Corporation. (nap,) (Entered: 07/14/2005)
07/13/2005	8	ORDER. Before the Court is Plaintiff's 4Emergency Motion to Enjoin, filed on July 11, 2005. The Court finds that an expedited briefing schedule is appropriate for this Motion. Thus, all Responses to this Motion must be filed by July 22, 2005 The Court will review the Responses and decide whether to schedule a hearing on this Motion. (Signed by Judge Barbara M. G. Lynn on 7/13/05) (nap,) (Entered: 07/14/2005)
07/15/2005	9	AGREED JOINT MOTION for Intra-Divisional Transfer by Viewpointe Archive Services, L.L.C., DataTreasury Corporation (nap,) (Entered: 07/18/2005)
07/18/2005	10	MOTION to Consolidate Case with 3:02-cv-2642-K by Viewpointe Archive Services, L.L.C. with Brief in Support. (nap,) (Entered: 07/20/2005)
07/22/2005	11	RESPONSE in Opposition re 4 MOTION to Enjoin DataTreasury Corporation from Prosecuting its Eastern District Action against ViewPointe filed by DataTreasury Corporation (nap,) (Entered: 07/26/2005)
07/26/2005	12	MOTION to Stay, to Transfer, or to Dismiss, by DataTreasury Corporation (nap,) (Entered: 07/27/2005)
07/28/2005	13	RESPONSE to Motion re 10 MOTION to Consolidate Case with 3:02-cv-2642-K filed by DataTreasury Corporation. (nap,) (Entered: 07/29/2005)
07/28/2005	14	ORDER REASSIGNING CASE. Case reassigned to Judge Ed Kinkeade for all further proceedings. Judge Barbara M. G. Lynn no longer assigned to case. (Signed by Judge Barbara M. G. Lynn on 7/28/05) (nap,) (Entered: 07/29/2005)
07/29/2005	15	REPLY to Response to Motion re 4 MOTION to Enjoin DataTreasury Corporation from Prosecuting its Eastern District Action against ViewPointe filed by Viewpointe Archive Services, L.L.C.. (Attachments: # 1 Appendix Appendix in Support of Reply in Support of Viewpointe's Emergency Motion)(Breedlove, Scott) (Entered: 07/29/2005)
08/02/2005	16	AFFIDAVIT of Service for Complaint served on DataTreasury (Delaware) on July 15, 2005. (Breedlove, Scott) (Entered: 08/02/2005)
08/02/2005	17	SUMMONS Returned Executed as to DataTreasury Corporation served on 7/15/2005, answer due 8/4/2005. (Breedlove, Scott) (Entered: 08/02/2005)
08/02/2005	18	AFFIDAVIT OF SERVICE OF PROCESS/SUMMONS Returned Executed as to DataTreasury Corporation on 7/15/05 by leaving copies at

		the office. (cxb,) (Entered: 08/03/2005)
08/02/2005	19	SUMMONS Returned Executed as to DataTreasury Corporation served on 7/14/2005 by leaving with Tanya Martin, answer due 8/3/2005. (cxb,) (Entered: 08/03/2005)
08/02/2005	20	REPLY to Response to 4 MOTION to Enjoin DataTreasury Corporation from Prosecuting its Eastern District Action against ViewPointe filed by Viewpointe Archive Services, L.L.C. (cxb,) (Entered: 08/03/2005)
08/02/2005	21	Appendix in Support re 20 Reply to Response to Motion filed by Viewpointe Archive Services, L.L.C. (cxb,) (Entered: 08/03/2005)
08/12/2005	22	REPLY to Response to 10 MOTION to Consolidate Cases filed by Viewpointe Archive Services, L.L.C. (cxb,) (Entered: 08/15/2005)
08/15/2005	23	RESPONSE to 12 MOTION to Stay, to Transfer, or to Dismiss filed by Viewpointe Archive Services, L.L.C. (cxb,) (Entered: 08/16/2005)
08/30/2005	24	REPLY to Response to 12 MOTION to Stay, to Transfer, or to Dismiss filed by DataTreasury Corporation. (cxb,) (Entered: 08/31/2005)
08/31/2005	25	ORDER denying 4 EMERGENCY MOTION to Enjoin DataTreasury Corporation from Prosecuting its Eastern District Action against ViewPointe. This case is transferred to Marshall Division of Eastern District of Texas. [see order for specifics] (Signed by Judge Ed Kinkeade on 8/31/05) (cxb,) (Entered: 08/31/2005)
08/31/2005		Interdistrict Transfer to Eastern District of Texas (Marshall). (cxb,) (Entered: 08/31/2005)
09/01/2005	26	EMERGENCY MOTION to Stay transfer of case to the Eastern District of Texas, Marshall Division by Viewpointe Archive Services, LLC with Brief in Support Thereof (cxb,) (Entered: 09/02/2005)
09/01/2005	27	MOTION for Reconsideration re 25 ORDER denying Emergency Motion to Enjoin by Viewpointe Archive Services, L.L.C (cxb,) (Entered: 09/02/2005)
09/02/2005	28	RESPONSE to 26 MOTION to Stay, and to 27 MOTION for Reconsideration of 25 Order denying motion to enjoin filed by DataTreasury Corporation. (cxb,) (Entered: 09/06/2005)
09/09/2005	29	REPLY to Response to 26 MOTION to Stay transfer, and 27 MOTION for Reconsideration re 25 Order denying motion to enjoin filed by Viewpointe Archive Services, L.L.C. (cxb,) (Entered: 09/12/2005)
09/13/2005	30	MOTION for Leave to File Surreply to Viewpointe's "EMERGENCY" motion to stay transfer and its motion for reconsideration of order denying motion to enjoin by DataTreasury Corporation. (cxb,) (Entered: 09/14/2005)
09/15/2005	31	ORDER granting 30 DataTreasury Corp.'s Unopposed Motion for Leave to File Surreply to Viewpointe's Emergency Motion to Stay Transfer and

		Motion for Reconsideration. (Signed by Judge Ed Kinkeade on 9/15/05) (klm,) (Entered: 09/19/2005)
09/15/2005	32	Sur-reply to Viewpointe's Reply in Support of its 26 "Emergency" MOTION to Stay Transfer, and its 27 MOTION for Reconsideration of Order Denying Motion to Enjoin filed by DataTreasury Corporation. (klm,) (Entered: 09/19/2005)
09/16/2005	33	Unopposed MOTION for Leave to File a Response to Datatreasury's Sur-Reply by Viewpointe Archive Services, L.L.C. (klm,) (Entered: 09/19/2005)
09/20/2005	34	ORDER granting 33 plaintiff's motion for leave to file response to defendant's sur-reply. Plaintiff's response shall be filed as submitted. (Signed by Judge Ed Kinkeade on 9/20/05) (mlm) (Entered: 09/22/2005)
09/20/2005	35	RESPONSE by plaintiff to 32 DataTreasury's Sur-reply in support of its motion to stay transfer and its motion for reconsideration of order denying motion to enjoin. (mlm) (Entered: 09/22/2005)
09/22/2005	36	ORDER denying 26 plaintiff's emergency motion to stay transfer of case to Eastern District of Texas, Marshall Division, denying 27 plaintiff's motion for reconsideration of order denying motion to enjoin (Signed by Judge Ed Kinkeade on 9/22/05) (mlm) (Entered: 09/22/2005)
09/26/2005	37	*** Copy of documents 25 and 36 along with a certified copy of the docket sheet were mailed on 9/26/05 to: Clerk, US District Court, 100 E. Houston, Room 125; Marshall, TX 75670. (cxb,) (Entered: 09/26/2005)

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED
SEP 22 2005
CLERK, U.S. DISTRICT COURT
By ______
Deputy

VIEWPOINTE ARCHIVE SERVICES, L.L.C.,	§	
	§	
Plaintiff,	§	
	§	
v.	§	Civil Action No. 3:05-CV-1355-K
	§	2-05CV-459
DATATREASURY CORPORATION,	§	
	§	
Defendant.	§	

ORDER

Before the court are Viewpointe Archive Services, LLC's Motion for Reconsideration of Order Denying Motion to Enjoin, and Viewpointe Archive Services, LLC's Emergency Motion to Stay Transfer of Case to the Eastern District of Texas, Marshall Division, both filed September 1, 2005. Following examination of the multiple responses and replies of each party, the facts presented therewith, and the applicable law, the court **denies** the motions.

I. New Facts Presented to the Court

The new facts presented to the court in the parties' recent filings show that when DataTreasury filed its new lawsuit against Viewpointe in the United States District Court for the Eastern District of Texas ("Viewpointe II") on June 28, 2005, its certificate of incorporation had been inoperative and void since March 1, 2005 for failure to pay franchise taxes to the State of Delaware, DataTreasury's state of incorporation. The

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on file in my office on 9/26/05
Clerk, U.S. District Court,
Northern District of Texas
By ______ Deputy

facts further show that as of September 2, 2005, DataTreasury has reinstated its certificate of incorporation with the State of Delaware. Accordingly, Viewpointe argues that because DataTreasury's corporate status had lapsed as of June 28, 2005, and was not reinstated until September 2, 2005, its filing of this case ("Viewpointe III") on July 7, 2005 was first for purposes of the first-to-file rule.

II. Viewpointe's Motions for Reconsideration and to Stay Transfer

The court's ruling on Viewpointe's motions will necessarily turn on the effect of DataTreasury's September 2nd reinstatement of its corporate charter, which is governed by 8 Del. C. § 312. In pertinent part, that statute states that:

> (e) Upon the filing of the certificate in accordance with § 103 of this title the corporation ***shall be renewed and revived with the same force and effect as if its certificate of incorporation had not been forfeited*** pursuant to § 136(b) of this title, or inoperative and void, or had not expired by limitation. Such reinstatement ***shall validate all contracts, acts, matters and things made, done and performed*** within the scope of its certificate of incorporation by the corporation, its officers and agents during the time when its certificate of incorporation was forfeited pursuant to § 136(b) of this title, or was inoperative or void or after its expiration by limitation, ***with the same force and effect and to all intents and purposes as if the certificate of incorporation had at all times remained in full force and effect.***

(Emphasis added). Based upon the above subsection of the statute, DataTreasury contends that its September 2nd reinstatement of its certificate of incorporation validates its June 28, 2005 filing of Viewpointe II, so that it remains the first-filed case.

In response, Viewpointe relies on 8 Del. Code § 312(f), which provides a specific exception for situations where another corporation has adopted the same or very similar name as a corporation whose certificate has become inoperative or void. The statute states that in such instance, the corporation who then seeks to revive its certificate shall not be entitled to do so under the name it bore when the certificate lapsed. *Id.* From this specific exception, Viewpointe asks the court to analogize a general exception to § 312(e) for other intervening events that might occur during the period when the corporation's certificate is inoperative or void, arguing that the filing of Viewpointe III is an intervening act that would preclude the retroactive effect of § 312(e) from reaching back to June 28, 2005, the date Viewpointe II was filed.

The court finds no support in the statute for Viewpointe's position. Section 312(f) is a specific statutory exception designed for a specific reason -- that for numerous reasons, two corporations cannot bear the same name. The court cannot generally infer from this specific exception that other exceptions not found in the statute also exist. Under § 312(e), the reinstatement of DataTreasury's certificate of incorporation on September 2, 2005 revived the corporation with "with the same force and effect as if its certificate of incorporation had not been forfeited." Moreover, the statute specifically provides that all acts taken during the time the certificate was inoperative are valid "as if the certificate of incorporation had at all times remained in full force and effect." *Id.* Therefore, the court must hold that the revival of DataTreasury's certificate retroactively validates its filing of Viewpointe II on June 28, 2005. Accordingly, the new facts outlined above do not alter the court's prior determination that Viewpointe II is the first-filed case.

Finally, the court notes again that Viewpointe asks the court to rescue it from a predicament of its own making. Viewpointe agreed to the dismissal of the relevant claims against it without prejudice and with the knowledge that it could be sued by DataTreasury again. As the court stated in its August 31, 2005 order, it must apply the first-to-file rule as provided for by the Fifth Circuit. As the instant litigation is the second-filed case, it must be transferred to the United States District Court for the Eastern District of Texas, Marshall Division, where Viewpointe II is currently pending.

III. Conclusion

For the foregoing reasons, Viewpointe Archive Services, LLC's Motion for Reconsideration of Order Denying Motion to Enjoin, and Viewpointe Archive Services, LLC's Emergency Motion to Stay Transfer of Case to the Eastern District of Texas are both **denied.**

SO ORDERED.

Signed September 22nd, 2005.

Ed Kinkeade
ED KINKEADE
UNITED STATES DISTRICT JUDGE